



Iowa Department of Human Services

Terry E. Branstad
Governor

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Director

INFORMATIONAL LETTER NO.1127

DATE: May 11, 2012

TO: Iowa Medicaid Home Health Agency Providers

FROM: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Change of Ownership

Please be advised that Iowa Medicaid follows Medicare policy in regard to home health agency change of ownership. The policy followed is included in the Centers for Medicare and Medicaid Services (CMS) Medicare Benefit Policy Manual, Chapter 7 – Home Health Services, Section 10.13 Change of Ownership Relationship to Episodes under PPS. Section 10.13, can be reviewed in its entirety at this link:

<http://www.cms.gov/manuals/Downloads/bp102c07.pdf>

In summary, this policy states that the effect of a change of ownership on the rates paid to a home health agency depends on whether a new Medicare certification is issued in connection with the change of ownership. If a new Medicare certification is issued, new Medicaid home health reimbursement rates may be calculated. If a new Medicare certification is **not** issued with the change of ownership, new Medicaid home health reimbursement rates will **not** be calculated.

This clarification of existing policy concerns home health agency change of ownership for both the Home Health Services program and the Private Duty Nursing/Personal Care program. Both programs are included as home health benefits under the Iowa Medicaid State Plan. 441 Iowa Administrative Code 79.9(1) states that Medicare definitions and policies apply to services provided unless specifically defined differently. There are no home health agency definitions or policies that specifically define the Medicare policy differently. Therefore, the above Medicare policy is followed for home health agency change of ownership.

Thank you for your attention to this clarification. If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909, or locally in Des Moines at 515-256-4609 or email at imeproviderservices@dhs.state.ia.us.